



AIRASIA BERHAD
(Company No. 284669-W)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)
FIRST QUARTER REPORT ENDED 31 MARCH 2014

ANNOUNCEMENT

The Board of Directors of AirAsia Berhad (“AirAsia” or “the Company”) is pleased to announce the following unaudited consolidated results of AirAsia and its subsidiaries (collectively known as “the Group”) for the first quarter ended 31 March 2014.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE	
		Quarter ended	Quarter ended	Period ended	Period ended
		31/3/2014 RM'000	31/3/2013 RM'000	31/3/2014 RM'000	31/03/2013 RM'000
Revenue	10	1,302,436	1,300,784	1,302,436	1,300,784
Operating expenses:					
- Staff costs		(156,043)	(146,251)	(156,043)	(146,251)
- Depreciation of property, plant and equipment		(164,078)	(153,958)	(164,078)	(153,958)
- Aircraft fuel expenses		(530,585)	(522,528)	(530,585)	(522,528)
- Maintenance and overhaul		(28,777)	(36,857)	(28,777)	(36,857)
- User charges and other related expenses		(135,893)	(124,049)	(135,893)	(124,049)
- Aircraft operating lease expenses		(50,418)	(44,656)	(50,418)	(44,656)
- Other operating expenses		(47,186)	(42,853)	(47,186)	(42,853)
Other (losses)/gains - net	11	(3,179)	4,573	(3,179)	4,573
Other income	12	21,244	20,723	21,244	20,723
Share of results of jointly controlled entities	23	5,780	(2,346)	5,780	(2,346)
Share of results of associates	23	10,550	31,745	10,550	31,745
Share of results of discontinued associates		-	(33,165)	-	(33,165)
Operating Profit		223,851	251,162	223,851	251,162
Finance Income	27	20,923	19,771	20,923	19,771
Finance Costs	27	(118,140)	(106,294)	(118,140)	(106,294)
Net operating profit		126,634	164,639	126,634	164,639
Foreign Exchange gain/(loss) on borrowings	27	7,414	(37,688)	7,414	(37,688)
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities		(216)	4,889	(216)	4,889
Profit before tax		133,832	131,840	133,832	131,840
Current Taxation	28	(3,132)	(4,210)	(3,132)	(4,210)
Deferred taxation	28	9,019	(22,837)	9,019	(22,837)
Profit after tax		139,719	104,793	139,719	104,793
Attributable to:					
-Equity holders of the company		139,719	104,793	139,719	104,793
-Minority interests		-	-	-	-
		139,719	104,793	139,719	104,793
Basic earnings per share (sen)		5.0	3.8	5.0	3.8
Diluted earnings per share (sen)		5.0	3.8	5.0	3.8

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/3/2014 RM'000	31/3/2013 RM'000	31/3/2014 RM'000	31/3/2013 RM'000
Profit for the period	139,719	104,793	139,719	104,793
Other comprehensive (loss)/income				
Available-for-sale financial assets	(67,685)	139,948	(67,685)	139,948
Cash flow hedges	13 (31,268)	42,744	(31,268)	42,744
Foreign currency translation differences	-	-	-	-
Total comprehensive (loss)/income for the period	40,766	287,485	40,766	287,485
Total comprehensive income attributable to:				
Equity holders of the company	40,766	287,485	40,766	287,485
Minority Interest	-	-	-	-



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED	YEAR ENDED
	31/03/2014 RM'000	31/12/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	133,832	361,235
Adjustments:		
Property, plant and equipment		
- Depreciation	164,078	597,258
- Gain on disposal	(41)	(3,036)
- Gain on fair value of interest in AirAsia Japan	-	(78,265)
Fair value (gains)/losses on derivative financial instruments	3,483	(287,266)
Share of results of jointly-controlled entities	(5,780)	(13,599)
Share of results of associates	(10,550)	(41,663)
Impairment on available-for-sale financial asset	-	2,685
Net unrealised foreign exchange (gain)/loss	(12,787)	517,669
Impairment of receivables	-	18,864
Interest expense	115,560	428,406
Interest income	(20,923)	(64,208)
	366,872	1,438,080
Changes in working capital		
Inventories	2,654	(5,795)
Receivables and prepayments	(34,643)	(197,217)
Trade and other payables	(66,541)	464,809
Intercompany balances	(91,232)	(369,431)
Cash generated from operations	177,110	1,330,446
Interest paid	(115,560)	(411,117)
Interest received	20,923	64,208
Tax paid	(3,661)	(22,399)
Net cash from operating activities	78,812	961,138
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- Additions	(399,337)	(2,117,455)
- Proceeds from disposal	38	16,437
Investment in an associate	-	(55,975)
Loan granted to associates	-	(145,514)
Loan repayments received from associates	-	30,649
Purchase of available-for-sale financial asset	-	78,265
Deposit on aircraft purchase	(17,727)	(152,483)
Placement of restricted cash	-	(171,529)
Net cash used in investing activities	(417,026)	(2,517,605)
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	344	1,248
Proceeds from borrowings	393,430	2,424,972
Dividend paid	-	(667,214)
Repayment of borrowings	(139,631)	(1,250,227)
Deposits pledged as securities	(625)	(928)
Net cash from / (used in) financing activities	253,518	507,851
NET INCREASE FOR THE FINANCIAL PERIOD/YEAR	(84,696)	(1,048,616)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,194,490	2,219,243
CURRENCY TRANSLATION DIFFERENCES	-	23,863
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	1,109,794	1,194,490

* The balance at end of financial period excludes restricted cash of RM171.5 million (31/12/13: RM171.5 million) and fixed deposits of RM15.0 million (31/12/13: RM14.4 million) pledged with licensed banks as securities for banking facilities granted to the Company



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		AS AT	AS AT
		31/03/2014	31/12/2013
		RM'000	RM'000
	Note		
NON CURRENT ASSETS			
Property, plant and equipment	15	11,528,088	11,292,826
Investment in associates	23	271,033	260,483
Investment in joint ventures	23	140,134	134,354
Available-for-sale financial assets		504,211	571,895
Goodwill		7,334	7,334
Deferred tax assets		390,214	381,195
Receivables and prepayments		927,913	847,573
Deposit on aircraft purchase		660,121	642,394
Amounts due from associates		546,459	559,190
Derivative financial instruments	33	199,375	235,665
		15,174,882	14,932,909
CURRENT ASSETS			
Inventories		26,865	29,520
Receivables and prepayments		685,809	731,506
Amounts due from joint ventures		42,447	33,703
Amount due from associates		836,197	738,735
Amount due from related parties		8,657	6,113
Deposits, cash and bank balances		1,296,364	1,380,435
Derivative financial instruments	33	1,722	3,173
		2,898,061	2,923,185
CURRENT LIABILITIES			
Trade and other payables		639,789	744,998
Sales in advance		618,572	661,590
Derivative financial instruments	33	29,775	29,545
Amount due to an associate		467	467
Amount due to a related party		20,339	15,145
Borrowings	32	1,011,813	1,119,436
Current tax liabilities		544	1,074
		2,321,299	2,572,255
NET CURRENT ASSETS			
		576,762	350,930
NON CURRENT LIABILITIES			
Other payables and accruals		1,000,550	918,864
Amount due to an associate		60,668	60,859
Borrowings	32	9,399,836	9,051,416
Derivative financial instruments	33	248,549	251,768
		10,709,603	10,282,907
		5,042,041	5,000,932
CAPITAL AND RESERVES			
Share capital	7	278,138	278,106
Share premium		1,229,379	1,229,068
Foreign exchange reserve		855	855
Retained earnings		3,066,210	2,926,491
Other reserves		467,459	566,412
Shareholders' funds		5,042,041	5,000,932
Net assets per share attributable to ordinary equity holders of the Company (RM)		1.81	1.80

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company								Minority Interest RM'000	TOTAL EQUITY RM'000
	Issued and fully paid ordinary shares of RM0.10 each		Share Premium RM'000	Foreign Exchange Reserves RM'000	Cash Flow Hedge Reserves RM'000	AFS Reserves RM'000	Retained Earnings RM'000	Total RM'000		
	Number of shares 000	Nominal Value RM'000								
At 1 January 2014	2,781,064	278,106	1,229,068	855	80,065	486,347	2,926,491	5,000,932	-	5,000,932
Net Profit for the period	-	-	-	-	-	-	139,719	139,719	-	139,719
Other comprehensive income	-	-	-	-	(31,268)	(67,685)	-	(98,953)	-	(98,953)
Dividends	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	318	32	311	-	-	-	-	343	-	343
At 31 December 2014	2,781,382	278,138	1,229,379	855	48,797	418,662	3,066,210	5,042,041	-	5,042,041
At 1 January 2013	2,779,908	277,991	1,227,935	451	(98,148)	220,559	4,273,311	5,902,099	-	5,902,099
Effects of adoption of MFRS 128	-	-	-	-	-	-	(1,041,730)	(1,041,730)	-	(1,041,730)
At 1 January 2013 (restated)	2,779,908	277,991	1,227,935	451	(98,148)	220,559	3,231,581	4,860,369	-	4,860,369
Net profit for the financial year	-	-	-	-	-	-	362,124	362,124	-	362,124
Other comprehensive income	-	-	-	404	178,213	265,788	-	444,405	-	444,405
Dividends	-	-	-	-	-	-	(667,214)	(667,214)	-	(667,214)
Issuance of ordinary shares - Pursuant to the Employees' Share Option Scheme ('ESOS')	1,156	115	1,133	-	-	-	-	1,248	-	1,248
At 31 December 2013	2,781,064	278,106	1,229,068	855	80,065	486,347	2,926,491	5,000,932	-	5,000,932

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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KEY OPERATING STATISTICS – 31 MARCH 2014

Performance indicator for Malaysian operations for current quarter against the same quarter last year

Quarter Ended: 31 March	Jan - Mar 2014	Jan - Mar 2013	Change y-o-y
Passengers Carried	5,373,202	5,168,167	4%
Capacity	6,669,540	6,583,500	1%
Seat Load Factor	81%	79%	2 ppt
RPK (million)	6,411	5,997	7%
ASK (million)	7,945	7,700	3%
Average Fare (RM)	164	180	-9%
Ancillary Income Per Pax (RM)	46	43	7%
Unit Passenger Revenue (RM)	210	223	-6%
Revenue / ASK (sen)	16.39	16.89	-3%
Revenue / ASK (US cents)	4.97	5.13	-3%
Cost / ASK (sen)	13.58	13.63	0%
Cost / ASK (US cents)	4.12	4.14	0%
Cost / ASK-ex Fuel (sen)	6.90	6.85	1%
Cost / ASK-ex Fuel (US cents)	2.09	2.08	1%
Aircraft (end of period)	72	66	9%
Average Stage Length (km)	1,191	1,152	3%
Number of Flights	37,053	36,573	1%
Fuel Consumed (Barrels)	1,320,198	1,256,916	5%
Average Fuel Price (US\$ / Barrel)	122	126	-3%

Exchange Rate: RM:USD – 3.2963 - prior year US cent figures are restated at the current period average exchange rate

Definition and calculation methodology

ASK (Available Seat Kilometres)	Total available seats multiplied by the distance flown.
RPK (Revenue Passenger Kilometres)	Number of passengers carried multiplied by distance flown
Revenue/ASK	Total revenue divided by ASK
Cost/ASK	Total expenses before operating profit divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



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NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2014

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

2. Summary of significant accounting policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2013.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2013 or later are provided in note 2 to the audited financial statements of the Group for the financial year ended 31 December 2013.

The adoption of MFRS 11 “Joint Arrangements”, with effect from 1 January 2013, is reflected in the interim financial statements. The standard requires the fair value gain on the remaining 45% equity interest in Thai AirAsia of RM1,041.7 million arising from the reduction in shareholding in Thai AirAsia Co Ltd, which was recognised in the Group’s financial statements for the financial year ended 31 December 2012, to be reversed. The Group will continue to equity account for its interest in Thai AirAsia Co Ltd, but it does not need to re-measure its continuing ownership interest at fair value. This standard is to be applied retrospectively and the reversal of the gain is reflected in the balance sheet at 31 December 2012.



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NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2014

3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the financial year ended 31 December 2013 in their report dated 28 April 2014.

4. Seasonality of operations

AirAsia is primarily involved in the provision of air transportation services and thus, is subject to the seasonal demand for air travel. The seat load factor was 81% in the quarter under review, which was 2 percentage points higher than the same period last year. Compared against the immediate preceding quarter (fourth quarter October - December 2013), the seat load factor was 1 percentage points lower than the seat load factor in the quarter under review. This seasonal pattern is in line with the expectation of the Group.

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date.

6. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter and financial period-to-date results.

7. Capital and reserves

During quarter ended 31 March 2014, the total issued and paid-up share capital of the Company increased from RM278,106,258 to RM278,138,008 from the issuance of 317,500 ordinary shares of RM0.10 each pursuant to the exercise of ESOS at the option price of RM1.08. Other than the above, there was no cancellation, repurchases, resale and repayment of debt and equity securities for the period ended 31 March 2014.

8. Dividend paid

No dividends were declared or approved in the quarter ended 31 March 2014.

9. Segment reporting

The Group operates a single reportable segment, that of Airline Operations.



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NOTES TO THE UNAUDITED ACCOUNTS – 31 MARCH 2014

10. Revenue

	Quarter ended 31/3/2014 RM million	Quarter ended 31/3/2013 RM million
Passenger seat sales	725.4	795.4
Baggage fees	109.3	109.1
Aircraft operating lease income	194.3	149.5
Surcharges and fees	156.4	138.7
Other revenue	117.0	108.1
	<u>1,302.4</u>	<u>1,300.8</u>

Other revenue includes assigned seat, freight, cancellation, documentation and other fees and the on-board sale of meals and merchandise.

11. Other gains/(losses) - net

Other gains/(losses) – net comprise fair value changes due to movement in mark-to-market (MTM) position on non-designated hedging contracts at 31 March 2014 as compared to 31 December 2013, and are detailed below:

	Quarter ended 31/3/2014 RM million	Quarter ended 31/12/2013 RM million
Gain/(loss) from foreign currency contracts	5.5	6.9
(Loss)/gain from interest rate contracts	(2.3)	19.9
	<u>(3.2)</u>	<u>26.8</u>

The above gains and losses arise from the movement in exchange rates (principally RM:US\$) and interest rates relative to the contracted rate during the quarter. The fair value of derivative financial instruments is determined by discounting future cash flows to present value.



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12. Other Income

	Quarter ended 31/3/2014 RM million	Quarter ended 31/3/2013 RM million
Gain on disposal of property, plant and equipment	0.0	2.5
Others	21.2	18.2
	<u>21.2</u>	<u>20.7</u>

Other income ('others') includes brand licence fees, commission income and advertising income.

13. Other Comprehensive Income

Cash flow hedges represent fair value changes due to movement in MTM position on effective hedging contracts at 31 March 2014 as compared to 31 December 2013 as follows:

	Quarter ended 31/3/2014 RM million	Quarter ended 31/12/2013 RM million
Fair value gain/(loss) in the period	(67.7)	(48.5)
Amount transferred to income statement	(31.3)	60.0
	<u>(99.0)</u>	<u>11.5</u>

Fair value changes in effective hedging contracts are recognized directly in equity and are transferred to the income statement in the same period as the underlying hedged item impacts profit or loss.



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14. Disclosure of Realised and Unrealised Profits

The cumulative retained profit of the Group and its subsidiaries comprises realized and unrealized profit as disclosed in the table below.

	As at 31/3/2014 RM million	As at 31/12/2013 RM million
Total retained profit of AirAsia Berhad and its subsidiaries		
Realised	2,590,972	2,358,327
Unrealised	403,000	512,256
	<u>3,004,938</u>	<u>2,870,583</u>
Total share of accumulated gains/(losses) from associates		
Realised	43,778	33,228
Unrealised	-	-
	<u>43,778</u>	<u>33,228</u>
Total share of accumulated gains/(losses) from jointly controlled entities		
Realised	28,460	22,680
Unrealised	-	-
	<u>28,460</u>	<u>22,680</u>
Total group retained profit as per consolidated accounts	<u>3,066,210</u>	<u>2,926,491</u>

15. Property, plant and equipment

(a) acquisition and disposals

During the quarter ended 31 March 2014, the Group acquired property, plant and equipment with a cost of RM399.3 million (quarter ended 31 March 2013: RM302.0 million).

During the quarter ended 31 March 2014, proceeds from disposal of property, plant and equipment totaled RMNil million (quarter ended 31 March 2013 RM3.6 million).



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(b) revaluation

There was no revaluation of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

(c) impairment

There was no impairment of property, plant and equipment in the quarter under review or in the same quarter of the prior year.

16. Post balance sheet events

There were no material events after the period end that have not been reflected in the financial statements for the financial period ended 31 March 2014 as at the date of this report.

17. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter under review.

18. Contingent assets

As at the date of this report, the Group does not have any contingent assets.

19. Changes in contingent liabilities since the last annual balance sheet date

There were no material changes in contingent liabilities since the latest audited financial statements of the Group for the financial year ended 31 December 2013.

20. Capital commitments outstanding not provided for in the interim financial report

Capital commitments for property, plant and equipment:

	<u>Group and Company</u>	
	<u>31/3/2014</u>	<u>31/3/2013</u>
	RM'000	RM'000
Approved and contracted for	50,074,364	50,908,258
Approved but not contracted for	14,694,750	13,920,750
	-----	-----
	64,769,114	64,829,008
	=====	=====



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21. Material related party transactions

Details of the relationship and transactions between AirAsia and its related parties are as described below. The related party transactions described were carried out on the terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

Name of company	Relationship
Thai AirAsia	An associate of the Company
PT Indonesia AirAsia	An associate of the Company
AirAsia X Sdn. Bhd.	An investment with common shareholders and directors of the Company
AirAsia Inc (Philippines)	An associate of the Company
AirAsia India Private Limited	An associate of the Company
Asian Aviation Centre of Excellence Sdn Bhd	A jointly controlled entity of the Company
Tune Ins Holdings Berhad	An investment with common shareholders and directors of the Company
QPR Holdings Limited	An investment with common shareholders and directors of the Company
Think Big Digital Sdn Bhd	An investment with common shareholders and directors of the Company

These following items have been included in the Income Statement

	Quarter ended 31/3/2014 RM million	Quarter ended 31/3/2013 RM million
Thai AirAsia		
Lease rental income on aircraft	94,573	79,078
Indonesia AirAsia		
Lease rental income on aircraft	82,840	54,874
Philippines AirAsia		
Lease rental income on aircraft	16,844	6,781
Japan AirAsia		
Lease rental income on aircraft	-	8,797
AirAsia X Berhad		
Services charged to AirAsia X Berhad	2,044	1,797
Asian Aviation Centre of Excellence Sdn Bhd		
Training costs charged to AirAsia Berhad	(4,880)	(6,130)



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22. Review of performance

Performance of current quarter against the same quarter last year for Malaysia

Quarter Ended: 31 March RM'000	Jan - Mar 2014	Jan - Mar 2013
Revenue	1,302,436	1,300,784
Operating expenses:		
- Staff costs	(156,043)	(146,251)
- Depreciation of property, plant and equipment	(164,078)	(153,958)
- Aircraft fuel expenses	(530,585)	(522,528)
- Maintenance and overhaul	(28,777)	(36,857)
- User charges and other related expenses	(135,893)	(124,049)
- Aircraft operating lease expenses	(50,418)	(44,656)
- Other operating expenses	(47,186)	(42,853)
Other (losses)/gains - net	(3,179)	4,573
Other income	21,244	20,723
Share of results of jointly controlled entities	5,780	(2,346)
Share of results of associates	10,550	31,745
Share of results of discontinued associates	-	(33,165)
Operating Profit	223,851	251,162
Finance Income	20,923	19,771
Finance Costs	(118,140)	(106,294)
Net operating profit	126,634	164,639
Foreign Exchange gain/(loss) on borrowings	7,414	(37,688)
Foreign Exchange gain/(loss) on amounts due from associates and jointly-controlled entities	(216)	4,889
Profit before tax	133,832	131,840
Current Taxation	(3,132)	(4,210)
Deferred taxation	9,019	(22,837)
Profit after tax	139,719	104,793
EBITDAR	438,347	449,776
EBITDAR Margin	34%	35%
EBIT Margin	17%	19%



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The Group recorded revenue of RM1,302.4 million for the quarter ended 31 March 2014 (“1Q14”), 0.1% higher than the revenue of RM1,300.8 million recorded in the quarter ended 31 March 2013 (“1Q13”). The revenue growth was supported by a 4% growth in passenger volume while the average fare was down 9% at RM164 as compared to RM180 achieved in 1Q13. Ancillary income per passenger increased by 7% to RM46 year-on-year. The seat load factor was at 81% 2 percentage points higher than the same period last year.

The profit before tax for the period was RM133.8 million compared to RM131.8 million in the same quarter of 2013 while the profit after tax for the period was RM139.7 million compared to RM104.8 million in the same quarter of 2013.

Cashflow commentary for current quarter against immediately preceding quarter

Net Cash Flow (RM'000)	Jan – Mar 2014	Oct – Dec 2013
Cash from Operations	78,813	240,324
Cash from Investing Activities	(417,026)	(1,440,591)
Cash from Financing Activities	253,518	904,283
Net Cash Flow	(84,695)	(295,984)

The Group’s cash from operations was RM78.8 million, compared to RM240.3 million in the immediate preceding quarter ended 31 December 2013. Net cash flow in the quarter amounted to a RM84.7 million outflow, as cash out flows from investing activities exceeded operating and financing cash in flows.

Balance sheet commentary for current quarter

Balance Sheet RM million	March 2014	December 2013
Total Debt	10,412	10,171
Cash	1,296	1,380
Net Debt	9,116	8,791
Net Gearing	1.83	1.76

The Group’s total debt as of end of March 2014 was RM10.4 billion. The Group’s net debt after offsetting the cash balances amounted to RM9.1 billion.



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23. Jointly Controlled Entities and Associate Companies

i) Associate Company - Thai AirAsia

Thai AirAsia is an associate company owned 45% by AirAsia Berhad. As such it is accounted for using the equity method, as permitted by the Malaysian Accounting Standards Board MFRS128, Investments in Associates.

Thai AirAsia recorded revenue of THB6,459.9 million in 1Q14, 7% higher compared to the THB6,029.0 million achieved in 1Q13. The positive growth in revenue is attributed to higher passenger volumes which increased by 22% year-on-year despite a 11% decrease in the year-on-year unit passenger revenue. Ancillary income per passenger increased by 11% year-on-year. Passengers carried by Thai AirAsia increased as capacity rose 31% year-on-year while the seat load factor decreased 7ppt to 80%.

Thai AirAsia achieved an operating profit of THB330.1 million in 1Q14, compared to an operating profit of THB931.9 million in 1Q13. Thai AirAsia achieved a net profit of THB244.7 million in 1Q14, compared to a net profit of THB739.0 million in 1Q13.

AirAsia Berhad has equity accounted RM10.6 million in 1Q14, as reflected in the AirAsia Berhad income statement.



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Performance indicator for Thailand operations for current quarter against the same quarter last year

Quarter Ended: 31 March	Jan - Mar 2014	Jan - Mar 2013	Change y-o-y
Passengers Carried	3,117,205	2,563,757	22%
Capacity	3,886,200	2,961,720	31%
Seat Load Factor	80%	87%	-7 ppt
RPK (million)	3,058	2,614	17%
ASK (million)	3,822	3,012	27%
Average Fare (THB)	1,712	1,995	-14%
Ancillary Income Per Pax (THB)	369	332	11%
Unit Passenger Revenue (THB)	2,081	2,327	-11%
Revenue / ASK (THB)	1.69	2.00	-16%
Revenue / ASK (US cents)	5.17	6.13	-16%
Cost / ASK (THB)	1.60	1.69	-5%
Cost / ASK (US cents)	4.91	5.18	-5%
Cost / ASK-ex Fuel (THB)	0.85	0.94	-10%
Cost / ASK-ex Fuel (US cents)	2.59	2.87	-10%
Aircraft (end of period)	37	28	32%
Average Stage Length (km)	983	1,017	-3%
Number of Flights	21,590	16,454	31%
Fuel Consumed (Barrels)	682,671	556,484	23%
Average Fuel Price (US\$ / Barrel)	130	125	4%

Exchange Rate: USD:THB – 32.68 - prior year US cents figures are restated at the current period average exchange rate

Definition and calculation methodology

ASK (Available Seat Kilometres)	Total available seats multiplied by the distance flown.
RPK (Revenue Passenger Kilometres)	Number of passengers carried multiplied by distance flown
Revenue/ASK	Total revenue divided by ASK
Cost/ASK	Total expenses before operating profit divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



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Performance of current quarter against the same quarter last year for Thailand

Quarter Ended: 31 March THB'000	Jan - Mar 2014	Jan - Mar 2013
Revenue	6,459,874	6,028,958
Operating expenses:		
- Staff costs	(620,725)	(596,720)
- Depreciation of property, plant and equipment	(168,092)	(59,505)
- Aircraft fuel expenses	(2,889,669)	(2,272,267)
- Maintenance & overhaul	(499,224)	(446,635)
- User charges and other related expenses	(835,190)	(661,902)
- Aircraft operating lease expenses	(935,360)	(774,612)
- Other operating expenses	(292,433)	(345,838)
Other income	110,965	60,375
Operating Profit	330,146	931,854
Finance Income	29,601	29,840
Finance Costs	(41,203)	(25,584)
Profit before tax	318,544	936,110
Taxation	(73,889)	(197,150)
Profit after tax	244,655	738,960
EBITDAR	1,433,598	1,765,971
EBITDAR Margin	22%	29%
EBIT Margin	5%	15%



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Balance Sheet

Quarter Ended: 31 March THB'000	Mar 2014	Dec 2013
Property, Plant & Equipment	12,109,924	10,835,933
Prepaid Expenses	2,356,984	342,969
Inventory	70,866	68,968
Other Debtors & Prepayments	3,851,161	1,759,172
General Investment	1,051,573	5,791,728
Cash & Short Term Deposits	6,017,780	2,309,100
Total Assets	25,458,288	21,107,870
Sales In Advance	3,969,496	4,299,163
Other Creditors & Accruals	3,437,055	2,457,011
Amounts Owing to Related Party	575,794	506,830
Long Term Liabilities	11,387,190	7,988,518
Total Liabilities	19,369,535	15,251,522
Share Capital	435,556	435,556
Share Premium	2,628,786	2,628,786
Retained Earnings	3,024,411	2,792,006
Total Equity	6,088,753	5,856,348

ii) Associate Company - Indonesia AirAsia

Indonesia AirAsia is an associate company owned 49% by AirAsia Berhad. As such it is accounted for using the equity method, as permitted by the Malaysian Accounting Standards Board MFRS128, Investments in Associates. The Group's interest in Indonesia AirAsia has been reduced to zero and the Group will only recognize its share of profits after its share of profits equals the share of losses not previously recognized.

Indonesia AirAsia recorded revenue of IDR 1,381.0 billion in 1Q14, 13% higher as compared to the IDR 1,22.5 billion achieved in 1Q13. The positive growth in revenue can be attributed to higher passenger volumes which increased by 22% year-on-year despite the 7% decrease in the year-on-year unit passenger revenue. Ancillary income per passenger decreased by 6% year-on-year. Passengers carried by Indonesia AirAsia increased as capacity rose 19% year-on-year while the seat load factor increased by 1 percentage point to 76% as compared to 1Q13.

Indonesia AirAsia recorded an operating loss of IDR390.1 billion in 1Q14, compared to an operating profit of IDR42.0 billion in 1Q13. Indonesia AirAsia recorded a net loss of IDR454.3 billion in 1Q14 as compared to a net profit of IDR1.4 billion in 1Q13.



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The AirAsia Berhad share of the net loss in 1Q14 amounted to RM62.5 million. However, as the Group's interest in Indonesia AirAsia has been reduced to zero any profits will only be recognized when a total of RM281.0 million of unrecognized losses have been reversed.

Performance indicator for Indonesia operations for current quarter against the same quarter last year

Quarter Ended: 31 March	Jan - Mar 2014	Jan - Mar 2013	Change y-o-y
Passengers Carried	2,096,246	1,720,594	22%
Capacity	2,748,240	2,309,400	19%
Seat Load Factor	76%	75%	1 ppt
RPK (million)	2,399	2,047	17%
ASK (million)	3,126	2,747	14%
Average Fare (IDR)	522,326	564,725	-8%
Ancillary Income Per Pax (IDR)	138,052	145,773	-5%
Unit Passenger Revenue (IDR)	660,378	710,498	-7%
Revenue / ASK (IDR)	441.78	445.04	-1%
Revenue / ASK (US cents)	3.76	3.79	-1%
Cost / ASK (IDR)	566.66	429.76	32%
Cost / ASK (US cents)	4.83	3.66	32%
Cost / ASK-ex Fuel (IDR)	293.34	207.27	42%
Cost / ASK-ex Fuel (US cents)	2.50	1.77	42%
Aircraft (end of period)	30	22	36%
Average Stage Length (km)	1,167	1,207	-3%
Number of Flights	15,268	12,830	19%
Fuel Consumed (Barrels)	537,810	459,602	17%
Average Fuel Price (US\$ / Barrel)	135	113	19%

Exchange Rate: USD:IDR – 11,737 - prior year US cents figures are restated at the current period average exchange rate

Definition and calculation methodology

ASK (Available Seat Kilometres)	Total available seats multiplied by the distance flown.
RPK (Revenue Passenger Kilometres)	Number of passengers carried multiplied by distance flown
Revenue/ASK	Total revenue divided by ASK
Cost/ASK	Total expenses before operating profit divided by ASK
Cost/ASK – ex fuel	Costs, as defined above, less fuel expenses, divided by ASK



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Performance of current quarter against the same quarter last year for Indonesia

Quarter Ended: 31 March IDR million	Jan - Mar 2014	Jan - Mar 2013
Revenue	1,380,997	1,222,479
Operating expenses:		
- Staff costs	(183,248)	(138,492)
- Depreciation	(24,035)	(22,937)
- Aircraft fuel expenses	(854,406)	(611,165)
- Aircraft operating lease expense	(286,635)	(171,728)
- Maintenance & overhaul	(176,837)	(104,823)
- User charges and other related expenses	(158,503)	(105,474)
- Provision for early return of aircraft	-	-
- Other operating expenses	(92,469)	(36,196)
Other income	4,760	10,307
Operating (loss)/profit	(390,376)	41,971
Finance Income	303	633
Finance Costs	(64,182)	(41,247)
(Loss)/profit before tax	(454,255)	1,357
Taxation	-	-
(Loss)/profit after tax	(454,255)	1,357
EBITDAR	-79,706	236,636
EBITDAR Margin	-6%	19%
EBIT Margin	-28%	3%



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Quarter Ended: 31 March IDR million	Mar 2014	Dec 2013
Property, Plant & Equipment	1,582,872	1,592,071
Work In Progress	-	-
Deferred Expenditure	9,503	9,503
Inventory	23,315	23,420
Other Debtors & Prepayments	100,951	155,403
Amounts Owing from Related Party	2,558,234	2,553,159
Maintenance Reserves	216,001	193,986
Cash & Short Term Deposits	104,568	25,769
Total Assets	4,595,445	4,553,311
Sales In Advance	392,428	521,996
Other Creditors & Accruals	3,969,318	3,295,862
Amounts Owing to Related Party	768,350	799,084
Borrowings	1,567,789	1,584,555
Total Liabilities	6,697,885	6,201,497
Share Capital	180,000	180,000
Share Premium	-	-
Retained Earnings	(2,282,440)	(1,828,186)
Total Equity	(2,102,440)	(1,648,186)

iii) Associate Company – AirAsia Inc (‘AirAsia Philippines’)

AirAsia Philippines is an associate company which is incorporated in the Republic of the Philippines and is 40% owned by AirAsia Berhad. AirAsia Philippines recorded a net loss of RM24.6 million (quarter ended 31 March 2013: net loss of RM20.0 million) in the quarter under review out of which RMNil million is equity accounted in the AirAsia Berhad income statement. As the Group’s interest in AirAsia Philippines has been reduced to zero, in accordance with MFRS128, any profits will only be recognized when a total of RM75.6 million of unrecognized losses have been reversed.

iv) Associate Company – AirAsia India Private Limited (‘AirAsia India’)

AirAsia India is an associate company which is incorporated in India and is 49% owned by AirAsia Berhad. AirAsia India recorded a net loss of RM12.4 million (quarter ended 31 March 2013: RM nil) in the quarter under review out of which RMNil million is equity accounted in the AirAsia Berhad income statement.



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v) Jointly Controlled Entity – Asian Aviation Centre of Excellence Sdn Bhd ('AACOE')

AACOE is a joint venture company which is incorporated in Malaysia and is owned in equal shares by AirAsia Berhad and CAE Inc, a Canadian incorporated aviation training organization. AACOE recorded a net profit of RM7.3 million (quarter ended 31 March 2013: net profit of RM3.8 million) in the quarter of which RM3.7 million (quarter ended 31 March 2013: RM1.9 million) is equity accounted in the AirAsia Berhad income statement.

vi) Jointly Controlled Entity – AAE Travel Pte Ltd ('AAE Travel')

AAE Travel is a joint venture company which is incorporated in Singapore and is owned in equal shares by AirAsia Berhad and Expedia Inc, a USA incorporated on-line travel agent. AAE Travel recorded a net profit of RM4.3 million (quarter ended 31 March 2013: net loss of RM8.5 million) in the quarter of which RM2.1 million (quarter ended 31 March 2013: net loss of RM4.2 million) is equity accounted in the AirAsia Berhad income statement.

vii) Jointly Controlled Entity – Think Big Digital Sdn Bhd ('BIG')

BIG is a joint venture company which is incorporated in Malaysia and is 47.8% owned by AirAsia Berhad. BIG recorded a net loss of RM3.3 million (quarter ended 31 March 2013: net profit of RM0.3 million) in the quarter under review. As the Group's interest in BIG has been reduced to zero, in accordance with MFRS128, any profits will only be recognized when a total of RM36.4 million of unrecognized losses have been reversed.

24. Variation of results against preceding quarter

The Group achieved a profit after taxation of RM139.7million for the quarter under review. This is RM105.6 million lower compared to the RM245.3 million profit after taxation achieved in the immediately preceding quarter ended 31 December 2013.



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25. Commentary on prospects

The Group will take delivery of nine A320 aircraft in the second quarter of the year, all of which will be deployed in Malaysia. During the same period six older aircraft will be disposed and one aircraft leased to a third party, so that there will be a net increase of two aircraft in the Malaysian fleet.

In Malaysia, forward loads for the remaining months of the second quarter of 2014 are slightly lower than in the prior year with base fares higher than the prior year. In the full quarter passenger numbers and fares are expected to be broadly in line with the previous year, reflecting better price discipline in the market.

In Thailand forward loads for the remaining months of the second quarter of 2014 are lower than the prior year with average fares also lower than the prior year, a reflection of the current political unrest in the country. TAA will continue to focus on domestic, southern China and Indo-China routes in the remaining quarters of 2014.

Indonesia AirAsia will maintain fleet size in the second quarter with no additional aircraft, thereby reducing the rate of capacity growth. The upcoming presidential election in July is not expected to have any negative impact on the Indonesian economy, while the recent strengthening of the Rupiah is expected to continue. During the second quarter Indonesia AirAsia will increase frequency on several routes including Jakarta to Surabaya and Bandung to Kuala Lumpur, Pekanbaru, and Surabaya. Forward loads in Indonesia are lower than in the prior year for the remaining months of the second quarter, though average fares are significantly higher.

In the Philippines, forward loads for the remaining months of the second quarter 2014 are slightly higher than in the prior year with based fares in the months of May and June 2014 higher than in the previous year. Tourist arrivals in the Philippines continue to post remarkable growth which augurs well for AirAsia and the aviation industry.

The outlook for the second quarter of 2014 should be seen in the context of the current prices of oil and aviation fuel while the operating environment in both Indonesia and the Philippines remains challenging. However, barring any unforeseen circumstances, the Directors remain positive for the prospects of the Group for the second quarter of 2014 and the remainder of the year.



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26. Profit forecast

No profit forecast has been issued.

27. Finance income/(costs)

All figures in RM'000	Group and Company			
	Quarter Ended 31/3/14	Quarter Ended 31/3/13	Year to Date 31/3/14	Year to Date 31/3/13
Finance income				
Interest on amounts due from associates and JV entities	16,362	12,485	16,362	12,485
Interest on deposits	3,056	5,310	3,056	5,310
Other interest income	1,505	1,976	1,505	1,976
	20,923	19,771	20,923	19,771
Finance costs				
Bank borrowings	(115,560)	(103,856)	(115,560)	(103,856)
Amortisation of premiums for interest rate caps	(2,053)	(1,982)	(2,053)	(1,982)
Bank facilities and other charges	(527)	(456)	(527)	(456)
	(118,140)	(106,294)	(118,140)	(106,294)
Net cost	(97,217)	(86,523)	(97,217)	(86,523)
Foreign exchange gains/(losses)				
Borrowings				
- realized	(5,284)	(2,900)	(5,284)	(2,900)
- unrealized	13,002	(68,633)	12,974	(68,633)
- fair value movement recycled from cash flow hedge reserve	(304)	33,845	(304)	33,845
	7,414	(37,688)	7,386	(37,688)



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28. Income tax expense

Current taxation

The current taxation charge of RM3.1 million comprises tax payable on interest income.

Deferred taxation

RM9.0 million deferred tax credits arose in the current financial period as a result of the reduction in deferred tax liabilities and the additional deferred tax assets recognized. The deferred tax liabilities reduced as the difference between the net book value and tax written down value of property, plant and equipment decreased in the period. The deferred tax assets arose from the additional capital allowances granted in the period but which remained unutilized in combination with the Investment Allowances granted on aircraft delivery.

29. Unquoted investments and properties

There was no purchase or disposal of unquoted investments or properties for the quarter under review and financial period to date.

30. Quoted investments and properties

There was no purchase or disposal of quoted securities for the quarter under review and financial period to date.

31. Status of corporate proposals announced

AirAsia India Joint Venture

There have not been any further changes in the status of the AirAsia India joint venture since the announcement made on 8 May 2014 on the receipt of the Air Operating Permit (“AOP”) from the Indian Directorate General of Civil Aviation.

Think Big Digital Sdn Bhd Joint Venture

Further to the announcement made on 30 January 2014, Aimia Holdings UK II Limited has completed the share purchase and the Tranche 1 shares subscription.



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Shareholdings of Think Big Digital Sdn Bhd as of 10 February 2014 are as follows:-

Shareholders	No of shares held	Percentage (%)
AirAsia Berhad	3,700,001	47.8
Tune Money International Sdn Bhd	2,960,001	38.2
Aimia Holdings UK II Limited	1,084,186	14.0
Total	7,744,188	100.0

32. Borrowings and debt securities

	At 31/3/2014 RM'000	At 31/12/2013 RM'000
Current	1,011,813	1,119,436
Non-current	9,399,836	9,051,416
Total Debt	10,411,649	10,170,852

The above term loans, finance lease liabilities (Ijarah) and Commodity Murabahah Finance are for the purchase of aircraft, spare engines and working capital.

The maturity period of non-current borrowing is 14 years and below. Borrowings are denominated in US Dollar (predominantly), RM and Euro. The Company has substantially hedged its foreign exchange exposure through foreign exchange contracts as explained in Note 33 (i).

The repayment terms of term loans and finance lease liabilities are on a quarterly or semi-annually basis. These are secured by the following:

- (a) Assignment of rights under contract with Airbus over each aircraft;
- (b) Assignment of insurance of each aircraft; and
- (c) Assignment of airframe and engine warranties of each aircraft.

The Commodity Murabahah Finance is secured by a second priority charge over the aircraft.



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33. Derivative Financial Instruments:

The fair value of derivative financial instruments is determined in accordance with FRS139 “Financial Instruments: Recognition and Measurement”

(i) Forward Foreign Exchange Contracts

As at 31 March 2014, AirAsia Berhad has hedged approximately 47% of the dollar liabilities of its aircraft and engine loans into Malaysian Ringgit (“MYR”) by using long dated foreign exchange forward contracts. The latest weighted average of USD/MYR forward exchange rate is 3.2236.

(ii) Interest Rate Hedging

As at 31 March 2014, the Group has entered interest rate hedging transactions to hedge against fluctuations in the US\$ Libor on its existing aircraft financing for aircraft delivering from 2005 to 2014.

(iii) Fuel Hedging

As at 31 March 2014, the Group has entered into Singapore Jet Kerosene fixed swaps which represents up to 17% of the Group’s total budgeted fuel consumption for the remaining quarters of 2014.



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33. Derivative financial instruments (continued)

Type of derivatives	Notional Value as at 31/3/2014	Fair Value as at 31/3/2014 Assets/(Liabilities)
(i) Fuel contract	Barrels (million)	RM (million)
- less than 1 year	0.6	0.1
- 1 year to 3 years	-	-
Total	0.6	0.1
	RM (million)	RM (million)
(ii) Interest rate contracts		
- less than 1 year	-	-
- 1 year to 3 years	11.4	(0.8)
- more than 3 years	3,670.7	(277.5)
Total	3,682.1	(278.3)
	RM (million)	RM (million)
(iii) Foreign currency contracts		
- less than 1 year	8.6	0.0
- 1 year to 3 years	12.4	0.3
- more than 3 years	3,208.9	200.7
Total	3,229.9	201.0

The related accounting policies, cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks are unchanged since the last financial year.



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34. Fair value estimation

The carrying amounts of cash and cash equivalents, trade and other current assets, and trade and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, Unobservable inputs) (Level 3).

The following tables presents the Group and Company's assets and liabilities that are measured at fair value at 31 March 2014 and 31 December 2013:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2014				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	33,670	-	33,670
Derivatives used for hedging	-	167,427	-	167,427
Available-for-sale financial assets				-
- Equity securities	494,086	-	10,125	504,211
Total Assets	494,086	201,097	10,125	705,308
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	82,055	-	82,055
Derivatives used for hedging	-	196,269	-	196,269
Total Liabilities	-	278,324	-	278,324
31 December 2013				
Assets				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	37,374	-	37,374
Derivatives used for hedging	-	201,464	-	201,464
Available-for-sale financial assets				-
- Equity securities	561,770	-	10,125	571,895
Total Assets	561,770	238,838	10,125	810,733
Liabilities				
Financial assets at fair value through profit or loss				
- Trading derivatives	-	85,823	-	85,823
Derivatives used for hedging	-	195,490	-	195,490
Total Liabilities	-	281,313	-	281,313



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34. Fair value estimation (continued)

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group then determines fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include certain bonds, government bonds, corporate debt securities, repurchase and reverse purchase agreements, loans, credit derivatives, certain issued notes and the Group's over the counter ("OTC") derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques. This category includes private equity investments, certain OTC derivatives (requiring complex and unobservable inputs such as correlations and long dated volatilities) and certain bonds.



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35. Material litigation

As at 20 May 2014, there was no material litigation against the Group.

36. Proposed dividend

The board recommends a first and final single tier dividend of 4 sen per ordinary share of RM0.10 under the single-tier system which is tax exempt in the hands of the shareholders for the financial year ended 31 December 2013. The first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting (“AGM”).

37. Earnings per share

(a) Basic earnings per share

Basic earnings per share of the Group are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/3/14	Preceding Year Quarter Ended 31/3/13	Current Year to Date 31/3/14	Preceding Year to Date 31/3/13
Net profit for the financial period (RM'000)	139,719	104,793	139,719	104,793
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,780,542	2,780,360	2,780,542	2,780,360
Adjusted for share options granted ('000)	1,804	1,960	1,804	1,960
Adjusted weighted average number of ordinary shares ('000)	2,782,346	2,782,320	2,782,346	2,782,320
Basic earnings per share (sen)	5.0	3.8	5.0	3.8
Diluted earnings per share (sen)	5.0	3.8	5.0	3.8



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(b) Diluted earnings per share

Diluted earnings per share of the Group are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period, adjusted for share options granted.

38. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board

JASMINDAR KAUR a/p SARBAN SINGH

(MAICSA 7002687)
COMPANY SECRETARY
20 May 2014